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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Number USTR-2017-0013]

Request for Comments to Compile the National Trade Estimate Report on Foreign

Trade Barriers

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: Section 181 of the Trade Act of 1974, as amended, requires the Office of

the United States Trade Representative (USTR) annually to publish the National Trade

Estimate Report on Foreign Trade Barriers (NTE). The Trade Policy Staff Committee

(TPSC) is asking interested persons to submit written comments to assist the TPSC in

identifying significant barriers to U.S. exports of goods, services, and U.S. foreign direct

investment for inclusion in the NTE.

Section 1377 of the Omnibus Trade and Competitiveness Act of 1988 (Section

1377) requires USTR annually to review the operation and effectiveness of all U.S. trade

agreements regarding telecommunications products and services that are in force with

respect to the United States. USTR will consider written comments in response to this

notice regarding the trade barriers pertinent to the conduct of the review called for in

Section 1377.

DATES: We must receive all written comments no later than 11:59pm, October 25,

2017.

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ADDRESSES: We strongly prefers electronic submissions made through the Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments in section 4 below. The docket number is USTR-2017-0013. For alternatives to on-line submissions, please contact Yvonne Jamison, Trade Policy Staff Committee, at (202) 395-3475.

FOR FURTHER INFORMATION CONTACT: Direct questions to Yvonne Jamison at (202) 395-3475.

SUPPLEMENTARY INFORMATION:

1. Background.

The NTE sets out an inventory of the most important foreign barriers affecting U.S. exports of goods and services, U.S. foreign direct investment, and protection of intellectual property rights. The inventory facilitates U.S. negotiations aimed at reducing or eliminating these barriers. The report also provides a valuable tool in enforcing U.S. trade laws and strengthening the rules-based trading system. You can find the 2017 NTE Report on USTR's website at http://www.ustr.gov under the tab "Reports". To ensure compliance with the NTE's statutory mandate and the Trump Administration's commitment to focus on the most significant foreign trade barriers, USTR will be guided by the existence of active private sector interest in deciding which restrictions to include in the NTE.

2. Topics on Which the TPSC Seeks Information.

To assist USTR in preparing the NTE, commenters should submit information related to one or more of the following categories of foreign trade barriers:

- 1. Import policies (<u>e.g.</u>, tariffs and other import charges, quantitative restrictions, import licensing, and customs barriers).
- 2. Government procurement restrictions (<u>e.g.</u>, "buy national policies" and closed bidding).
- 3. Export subsidies (<u>e.g.</u>, export financing on preferential terms, subsidies provided to equipment manufacturers contingent on export and agricultural export subsidies that displace U.S. exports in third country markets).
- 4. Lack of intellectual property protection (<u>e.g.</u>, inadequate patent, copyright, and trademark regimes).
- 5. Services barriers (<u>e.g.</u>, limits on the range of financial services offered by foreign financial institutions, regulation of international data flows, restrictions on the use of data processing, quotas on imports of foreign films, unnecessary or discriminatory technical regulations or standards for telecommunications services, and barriers to the provision of services by professionals).
- 6. Investment barriers (e.g., limitations on foreign equity participation and on access to foreign government-funded R&D consortia, local content, technology transfer and export performance requirements, and restrictions on repatriation of earnings, capital, fees, and royalties).
- Government-tolerated anticompetitive conduct of state-owned or private firms
 that restrict the sale or purchase of U.S. goods or services in the foreign country's
 markets.

- 8. Trade restrictions affecting electronic commerce (<u>e.g.</u>, tariff and non-tariff measures, burdensome and discriminatory regulations and standards, and discriminatory taxation).
- 9. Trade restrictions implemented through unwarranted sanitary and phytosanitary measures, including unwarranted measures justified for purposes of protecting food safety, and animal and plant life or health.
- 10. Trade restrictions implemented through unwarranted standards, conformity assessment procedures, or technical regulations (Technical Barriers to Trade) that may have as their objective protecting national security requirements, preventing deceptive practices, or protecting human health or safety, animal or plant life or health, or the environment, but that can be formulated or implemented in ways that create significant barriers to trade (including unnecessary or discriminatory technical regulations or standards for telecommunications products)/
- 11. Other barriers (<u>e.g.</u>, barriers that encompass more than one category, such as bribery and corruption, or that affect a single sector).

In addition, Section 1377 (19 U.S.C. 3106) requires USTR annually to review the operation and effectiveness of all U.S. trade agreements regarding telecommunications products and services that are in force with respect to the United States. The purpose of the review is to determine whether any act, policy, or practice of a country that has entered into a trade agreement or other telecommunications trade agreement with the United States is inconsistent with the terms of such agreement or otherwise denies U.S. firms, within the context of the terms of such agreements, mutually advantageous market opportunities for telecommunications products and services.

We invite commenters to identify those barriers covered in submissions that may operate as "localization barriers to trade." Localization barriers are measures designed to protect, favor, or stimulate domestic industries, services providers, and /or intellectual property at the expense of goods, services, or intellectual property from other countries, including the provision of subsidies linked to local production. For more information on localization barriers, please go to http://www.ustr.gov/trade-topics/localization-barriers.

Commenters should place particular emphasis on any practices that may violate U.S. trade agreements. The TPSC also is interested in receiving new or updated information pertinent to the barriers covered in the 2017 NTE as well as information on new barriers. If USTR does not include in the NTE information that it receives pursuant to this notice, it will maintain the information for potential use in future discussions or negotiations with trading partners.

3. Estimate of Increase in Exports.

Each comment should include an estimate of the potential increase in U.S. exports that would result from removing any foreign trade barrier the comment identifies, as well as a description of the methodology the commenter used to derive the estimate.

Commenters should express estimates within the following value ranges: less than \$5 million; \$5 to \$25 million; \$25 million to \$50 million; \$50 million to \$100 million; \$100 million to \$500 million; or over \$500 million. These estimates will help USTR conduct comparative analyses of a barrier's effect over a range of industries.

4. Requirements for Submissions.

In order to be assured of consideration, we must receive your written comments in English by 11:59 pm on October 25, 2017. USTR strongly encourages commenters to

make on-line submissions, using the www.regulations.gov website. On the first page of the submission, please identify it as "Comments Regarding Foreign Trade Barriers to U.S. Exports for 2018 Reporting." Commenters providing information on foreign trade barriers in more than one country should, whenever possible, provide a separate submission for each country.

To submit comments via www.regulations.gov, enter docket number **USTR-2017-0013** on the home page and click "search." The site will provide a search-results page listing all documents associated with this docket. Find a reference to this notice and click on the link entitled "Comment Now!" For further information on using the www.regulations.gov website, please consult the resources provided on the website by clicking on "How to Use Regulations.gov" on the bottom of the home page. We will not accept hand-delivered submissions.

The www.regulations.gov website allows users to submit comments by filling in a "Type Comment" field or by attaching a document using an "Upload File" field. USTR prefers that you submit comments in an attached document. If you attach a document, please identify the name of the country to which the submission pertains in the "Type Comment" field. For example - "See attached comments with respect to (name of country)." USTR prefers submissions in Microsoft Word (.doc) or Adobe Acrobat (.pdf). If you use an application other than those two, please indicate the name of the application in the "Type Comment" field.

For any comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters "BC". Any page containing business confidential information must be clearly

marked "BUSINESS CONFIDENTIAL" on the top of that page. Filers of submissions containing business confidential information also must submit a public version of their comments that we will place in the docket for public inspection. The file name of the public version should begin with the character "P". The "BC" and "P" should be followed by the name of the person or entity submitting the comments. Filers submitting comments containing no business confidential information should name their file using the name of the person or entity submitting the comments.

Please do not attach separate cover letters to electronic submissions; rather, include any information that might appear in a cover letter in the comments themselves. Similarly, to the extent possible, please include any exhibits, annexes, or other attachments in the same file as the submission itself, not as separate files.

As noted, USTR strongly urges submitters to file comments through www.regulations.gov. You must make any alternative arrangements with Yvonne Jamison in advance of transmitting a comment. You can contact Ms. Jamison at (202) 395-3475. General information concerning USTR is available at www.ustr.gov.

We will post comments in the docket for public inspection, except business confidential information. You can view comments on the www.regulations.gov website by entering the relevant docket number in the search field on the home page.

Edward Gresser,

Chair,

Trade Policy Staff Committee,

Office of the United States Trade Representative.

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